

## **NEIGHBORHOOD REVITALIZATION STRATEGY**

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In recent years, the U.S. Department of Housing and Urban Development's (HUD) Office of Community Planning and Development (CPD) has stressed a coordinated marshalling of resources to facilitate entitlement communities' ability to engage in comprehensive community revitalization strategies. Comprehensive community revitalization strategies seek to create partnerships among federal and local governments, the private sector, community organizations and neighborhood residents. HUD seeks to create communities of opportunity in neighborhoods by stimulating the reinvestment of human and economic capital and economically empowering low-income residents.

Through this effort, Entitlement communities may define a Neighborhood Revitalization Strategy Area (NRSA) that meets the threshold for low/moderate income (LMI) residents (55.75% in Cambridge), and that is also primarily residential. Within in this area the City is then afforded much greater flexibility in the use of CDBG funds. The duration of the Strategy is 5 years, and is integrated into the One Year Action Plan and Consolidated Annual Performance Evaluation Reports as component of the City's Community Development Department's activities.

### **Benefits of NRS**

The benefits are described in amendments to the CDBG regulations at 24 CFR 570 which were published in the Federal Register on January 5, 1995 and updated in the final rule changes published in the November 9, 1995, Federal Register. They are as follows:

1. **Job Creation/Retention as Low/Moderate Income Area Benefit:** Job creation / retention activities pursuant to the strategy may be qualified as meeting area benefit requirements, thus eliminating the need for a business to track the incomes of persons that take, or are considered for such jobs (24 CFR 570.208(a)(1)(vii) and (d)(5)(i));
2. **Aggregation of Housing Units:** Housing units assisted pursuant to the strategy may be considered to be part of a single structure for purposes of applying the low/moderate-income national objective criteria, thus providing greater flexibility to carry out housing programs that revitalize a neighborhood (24 CFR 570.208(a)(3) and (d)(5)(ii));
3. **Aggregate Public Benefit Standard Exemption:** Economic Development activities carried out under the strategy may, at the grantee's option, be exempt from the aggregate public benefit standards, thus increasing a grantee's flexibility for program design as well as reducing its record-keeping requirements (24 CFR 570.209(b)(2)(v)(L) and (M)); and

- 4. Public Service Cap Exemption:** Public Services carried out pursuant to the strategy by a Community-Based Development Organization will be exempt from the public service cap (24 CFR 570.204(b)(2)(ii)).

### The Neighborhood Revitalization Strategy Area

The NRSA the City has selected is consistent with HUD guidelines, and has been approved by HUD staff. The area is centered on the Central Square district, and radiates out to include portions of the Riverside, Cambridgeport, Area Four, East Cambridge and Wellington/ Harrington Neighborhoods. The NRSA extends from the Charles River (in the Riverside and Cambridgeport Neighborhoods) to the Somerville border (in the Wellington / Harrington Neighborhoods). This area represents predominately residential neighborhoods, and includes the highest populations of low/moderate income and minority residents. Though the area is large and extends beyond several City defined Neighborhoods, it represents a large contiguous area of residents who all face similar challenges. The demographic data used in determining the NRSA is based upon 1990 U.S. Census Block Group data. The following chart shows all Block Groups included in the NRSA and the relevant demographic data:

Census Tract	Block Group	TOTAL Area	RES Area	% RES	TOTAL Pop.	LOW/MOD Pop.	% LOW/MOD
3522	1	766,626	490,934	64.0%	1,616	914	56.6%
3524	1	863,685	295,097	34.2%	544	318	58.5%
	3	1,376,266	762,108	55.4%	1,482	1,390	93.8%
3525	1	820,128	700,215	85.4%	1,219	514	42.2%
	2	271,818	174,431	64.2%	387	235	60.7%
	3	564,796	509,182	90.2%	999	620	62.1%
3526	1	888,021	558,637	62.9%	1,412	730	51.7%
3527	1	409,220	300,847	73.5%	741	261	35.2%
	2	240,741	112,047	46.5%	732	544	74.3%
	3	281,195	223,338	79.4%	643	309	48.1%
3530	1	584,876	304,000	52.0%	674	230	34.1%
	2	1,152,253	656,130	56.9%	1,076	454	42.2%
	3	959,760	382,194	39.8%	1,545	1,038	67.2%
3531	2	1,421,990	292,668	20.6%	934	559	59.9%
	3	1,451,311	261,694	18.0%	646	361	55.9%
3532	1	1,830,335	514,801	28.1%	929	527	56.7%
	2	1,203,530	439,275	36.5%	740	428	57.8%
	3	1,205,442	674,051	55.9%	995	415	41.7%
3533	1	760,730	653,908	86.0%	1,007	428	42.5%
	2	768,876	656,363	85.4%	1,157	645	55.7%
	3	764,603	729,406	95.4%	962	435	45.2%
	4	772,743	250,877	32.5%	325	142	43.7%
3534	1	1,183,437	516,972	43.7%	961	546	56.8%
	2	1,094,027	717,372	65.6%	1,204	729	60.5%
3535	1	620,548	515,350	83.0%	921	433	47.0%
	2	742,754	538,275	72.5%	991	622	62.8%
	3	359,143	348,888	97.1%	503	219	43.5%
3539	1	831,740	370,461	44.5%	604	396	65.6%
	2	592,206	173,744	29.3%	1,377	809	58.8%
<b>TOTALS</b>		<b>24,782,800</b>	<b>13,123,265</b>	<b>53.0%</b>	<b>27,326</b>	<b>15,251</b>	<b>55.8%</b>

**Overall Goals and Objectives For Cambridge's NRS:**

The City of Cambridge will seek to utilize the benefits afforded by the proposed NRS in Housing and Economic Development initiatives. The proposed activities for fiscal year 2003 are as follows:

- ◆ **Retail Best Practices Program**
- ◆ **Empowerment Through Financial Literacy**
- ◆ **Health Care Training and Advancement Program**
- ◆ **Bio-Medical Training Program**
- ◆ **Affordable Housing Stabilization through HIP / RAP**
- ◆ **Earned Income Tax Credit / Food Stamp awareness initiative through the Human Services Department**

<b>Programs</b>	<b>FY03 Anticipated</b>	<b>5 Year Goal</b>
<b>Economic Development</b>		
Retail Best Practices	2 to 5	26
Financial Literacy	30	210
Health Care	<i>pre-development</i>	
BioMed	5 to 7	25 to 35
<b>Affordable Housing</b>		
Stabilization through HIP	40 to 45	225

## **ECONOMIC DEVELOPMENT**

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### **Objective #1:**

**To cultivate a supportive environment for entrepreneurship, the Economic Development Division will enhance the growth of NRS area businesses by stabilizing income eligible micro-enterprises with business development services.**

### **Number of NRS Businesses/Individuals to be Served:**

The Department will continue its support of Cambridge small business by contracting with non-profit organizations and other contractors to provide pre-business and business development educational services for low and low-moderate income micro businesses through workshops, seminars, class series and in-house consultations.

In FY 2003 the City expects 56 income eligible micro-enterprises to be served through workshops, classes and in-house consultations conducted by sub-recipients and/or contractors:

- Financial Literacy Program: 30 NRS area residents served
  - *Long-term goal: 15 micro-enterprise business started*
- Best Retail Practices Program: 26 NRS area micro-enterprises served
  - *Long-term goal: An increase in sales volume and profitability, leading to job creation.*

### **Expected Resources:**

- ***Federal Funds***  
FY03 Community Development Block Grant  
Prior year CDBG funds
- ***Local Funds***  
Local Taxes
- ***Private Funds***  
Local and Regional Banks  
Sponsorship  
Business Owners  
Other

### **Strategies and Resources:**

- **Best Retail Practices Program:** This program was established in September 2001 to assist low-mod income micro-enterprise independent retail and restaurant owners to boost their sales, grow their businesses with a goal of hiring additional

low-mod income employees. The program provides participants with expert advice on improving the interior design of their establishments and developing better marketing plans. The three-month program will run two times during FY03.

In FY03, the goal of the program is to serve a total of 26 participants in the three-part program: Phase I – Workshop, Phase II – In-store Consultations and Phase III Grant Assistance Program.

This strategy is supported by CDBG funds, a matching grants program, local taxes and by community business owners.

- **Community Development Block Grant Program:** The City of Cambridge is an entitlement City that annually receives a direct allocation of CDBG funds that can be used to fund a variety of activities, which includes economic development, design and construction oversight of parks, playground renovations, housing services, and housing development. Cambridge expects to receive \$3,856,000 in CDBG funds for FY2003.
- **Financial Literacy Training:** This program is designed as a pre-development, pre-entrepreneurship program for residents of the NRS area. The goals of the Agency will be to reach and serve residents who may have an interest in micro-enterprise as an alternative or supplement to employment; to teach clients about financial resources and money management and to identify candidates for the Agency's existing programs that help entrepreneurs plan for and start businesses. The Agency will experiment with class offerings, initially offering one or two-session workshops on financial basics and develop future offerings that build the clientele's financial literacy and help interested clients prepare for entrepreneurship. Based on clientele needs and interest, the workshops will cover topics such as basic banking; budgeting and meeting financial goals, including saving to open a business; investments and credit and credit repair.

Outreach and marketing activities will include the Agency developing partnerships with other local agencies to help identify residents or micro-business owners needing financial literacy training; door-to-door program flyering in the NRS area, notices to community calendars in local and area newspapers, and public service announcements on local cable TV and radio stations.

The program is expected to attract 30 residents in year-one, ramping up to 42 – 48 in years 2 through 5. The Long-term goal is for 15 micro-enterprise businesses to be started in the future by program participants